

LNF & IHCIF Calculations Illustration

- LAWTON in Oklahoma area -

Given Data

- 23,434 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 14% = % Expenditures on purchased services, 86% = % expenditures in-house
- 85.8% = Cost index for purchasing health care in this geographic area
- 90.4% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

Cost Adjustment Calculations

- \$368 per person for purchased services = $14\% * 85.8\% * \$2,980$
- \$2,307 per person for in-house services = $86\% * 90.4\% * \$2,980$
- \$2,675 per person total = \$368 (purchase) + \$2,307 (in-house)
- **\$2,593 per person total** adjusted for health status = $\$2,675 * 96.9\%$
- **\$1,848 per person net cost** = $\$2,593 - \745 Other resources (M&M&PI)

Existing Expenditures (for 23,434 users excluding wrap-around and collections)

- \$726 per person = local IHS allowance (excludes \$ for wrap-around)
- \$77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$857 per person for OU users** = $\$726 + \$77 + \$54$

LNF Calculation

- **33.0% Gross LNF** = $\$857$ (expenditures) / $\$2,593$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **46.4% Net LNF** = $\$857 / \$1,848$ net cost ($\$2,593 - \745 other)

IHCIF Allocation

- \$5,898,521 = \$ to raise LNF% from 46.4% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$205,740 Allocation** = $\$5,898,521$ needed for 60% * 3.488% IHCIF fraction

LAWTON Unmet Needs

- **\$43,296,451 Net Total Need** = 23,434 users * \$1,848 net cost
- **\$23,217,102 Net Unmet Need** = $(100\% - 46.4\% \text{ LNF}) * 23,434 \text{ users} * \$1,848 \text{ net cost}$